GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:901
ANSWERED ON:29.07.2005
PSUS FOR DISINVESTMENT
Purandeswari Smt. Daggubati;Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has prepared a list of PSUs for disinvestments;

(b) if so, their names and the funds estimated to be raised in the process;

(c) whether the Ministry has written letters recently to the nodal ministries of those PSUs to formulate guidelines for disinvestments;

(d) if so, the details thereof; and

(e) the responses by the ministries concerned?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (Shri S.S. PALANIMANICKAM)

(a)to (e) The Government has decided in principle to list currently unlisted, profitable Central Public Sector Enterprises (CPSEs), each with a net worth in excess of Rs. 200 crores and to sell minority shareholding of the Government in listed, profitable CPSEs either in conjunction with fresh equity to be issued by the CPSE concerned or independently by the Government subject to the residual equity of the Government remaining atleast 51% and the Government retaining management control of the CPSE. However, specific cases of disinvestment are to be approved on a case-by-case basis. At present the Government has decided to sell 10% out of its shareholding of 67.72% in Bharat Heavy Electricals Ltd. (BHEL) through an Offer for Sale. The amount realizable from disinvestment would depend upon the market conditions, prevailing at the time of the actual Offer for Sale. In accordance with the established procedure, the administrative ministries of the concerned CPSEs are consulted at the time of disinvestment. A final decision in each case will be taken by the CCEA.